

## Task Force on Commerce, Insurance and Economic Development Tentative Meeting Agenda

2017 Annual Meeting | Denver, Colorado  
Thursday, July 20, 2017  
2:30 - 5:30 PM

- 2:00 PM**      **Call to Order**  
Welcome and Introductions  
**New Member Introductions**
- Subcommittee Reports**  
A Report from the Labor and Business Regulation Subcommittee  
A Report from the Financial Services Subcommittee  
A Report from the Transportation Subcommittee  
**Note that we need Public Chairs for Transportation and Financial Services**
- 2:25 PM**      **Model Policy Consideration:** The Collateral Consequences Reduction Act  
Model Policy - *Lee McGrath & Steve Slivinski* (*explain voting rules*)
- 2:55 PM**      **Panel Presentation:** Right to Work's Watershed Year: Labor Reforms in 2017 - *Rep. Jim DeCesare* (KY), *Senator Onder* (MO), *Rep Seth Grove* (PA), *Rep Ken Weyler* (NH), *Rep. Ron Hood* (OH)
- 3:25 PM**      **Presentation:** Freedom to Prosper Initiative - *Tom Newell*, Foundation for Gov. Accountability
- 3:40 PM**      **Presentation:** Authorizing Automated Vehicle Platooning: A Guide for State Legislators  
*Marc Scribner*, CEI
- 4:00 PM**      **Model Policy Consideration:** Resolution Regarding Property-Assessed Clean Energy Programs - *Paul Blair*, ATR; *Woody Burton*
- 4:45 PM**      **Presentation:** The Path to Integrating Unmanned Aerial System (UAS) into The National Airspace System (NAS) - *Houston Mills*, UPS
- 5:05 PM**      **Model Policy Discussion:** AVs: Model State Legislation - *Chuck Cunningham*, SAFE
- 5:20 PM**      **Member Updates and For the Good of the Order**
- 5:30 PM**      **Adjournment**

**Commerce, Insurance and Economic Development Task Force  
Speaker Biographies**

2017 Annual Meeting | Denver, CO  
July 19-21, 2017



**Sen. James "Jim" Buck, IN**, is a Republican member of the Indiana State Senate, representing District 21. He previously served in the Indiana House of Representatives from 1994 to 2008. Buck earned his B.S. in business administration and his MBA from Indiana Wesleyan University. His professional experience includes working as vice president of WWKI's We Care, a local charity, Tool and Die Mold Maker and Real Estate Broker. For the 2017 Legislative Session, he is the Chair of the Senate Committee on Local Government. He also is a member of ALEC's board of Directors, serving as one of the National Directors



**Marc Scribner** is a senior fellow at the Competitive Enterprise Institute, which he joined in 2008. He focuses on transportation, land use, and urban growth policy issues. These include infrastructure investment and operations, transportation safety and security, risk and regulation, privatization and public finance, urban redevelopment and property rights, and emerging transportation technologies such as automated road vehicles and unmanned aircraft systems. He frequently advises policy makers on these matters at the federal, state, and local levels.

He has appeared on Fox Business and also written for numerous publications, including USA Today, The Washington Post, CNN.com, MSNBC.com, Forbes, and National Review.

His work has been cited by The Wall Street Journal, New York Times, Washington Post, Los Angeles Times, Scientific American, Congressional Quarterly, Washington Monthly, POLITICO, CNN, Bloomberg, BBC, C-SPAN, and other print, television, and radio outlets.

Prior to joining CEI, Scribner worked in the Congress department at Federal News Service. He received his undergraduate degree in Economics and Philosophy from George Washington University.



**Ian Adams** is a senior fellow with the R Street Institute, responsible for coordinating R Street's insurance research and outreach, as well as overseeing matters related to next generation transportation. He also is a frequent commentator on the disruptive impact of burgeoning technologies on law and regulation.



Ian rejoined R Street, for whom he'd previously worked as Western region director, on a full-time basis in January 2017. He was most recently a public policy associate at the international law firm of Orrick, Herrington & Sutcliffe LLP, where he maintained a national insurance regulatory practice specialized in developing creative solutions to business problems that incorporated legislative and regulatory strategies.

Earlier in his career, Ian was a Jesse M. Unruh Assembly Fellow with the office of California state Assemblyman Curt Hagman, R-Chino Hills, while Hagman served as vice chairman of the California Assembly Insurance Committee. He also served as a legal extern with the office of Oregon state Rep. Bruce Hanna, R-Roseburg, who was then co-speaker of the Oregon House of Representatives. Ian also

worked as a law clerk for California's largest insurance trade association. Ian is a graduate of Seattle University, with bachelor's degrees in history and philosophy, and received his law degree from the University of Oregon. He is a member of the California and Illinois bars.



**Tom Newell** is a senior fellow at the Foundation for Government Accountability.

Prior to joining FGA, Tom served as a member of the Oklahoma House of Representatives from 2010 to 2016. During his tenure, Tom championed numerous bills seeking to limit the size and scope of government. He was appointed to Chair of the Government Oversight and Accountability committee for the 2015-16 legislative session and as Vice-Chair of the Appropriations and Budget committee in the 2013-14 session.

Tom grew up on a small ranch and as a youth was a state champion bull rider and state champion extemporaneous speaker in the FFA. He received

his bachelor's degree from Mid-America Christian University in Oklahoma City and has pastored churches in Oklahoma, Missouri, and Pennsylvania.

He is a proud father of three sons and one grandson: Ethan, Andrew, Levi, and Easton. With his master's degree in business administration from Liberty University, Tom has taught business and economics classes at Seminole State College and is a former member of the board of directors for the Seminole Chamber of Commerce and former executive director of The Liberty Foundation of America.



**Lee McGrath** is the Managing Attorney of the Institute for Justice Minnesota office and serves as IJ's Senior Legislative Counsel. He joined the Institute in December 2004 and litigates cutting-edge constitutional cases protecting economic liberty, school choice, private property, freedom of speech and other individual liberties in both federal and state courts in Minnesota and nationally. Minnesota Lawyer recognized McGrath as one of 2006's Up and Coming Attorneys.

Under his leadership, the Institute for Justice Minnesota has launched a successful campaign to restore economic liberty as a basic civil right under both the Minnesota State and U.S. Constitutions. IJ-MN successfully freed African hairbraiders from the State of Minnesota's onerous cosmetology licensing regime, successfully stopped the government from enforcing a blanket ban on advertising, soliciting or using the Internet to conduct lawful, direct sales of wine, and forced the City of Red Wing to end its ban on interstate ship of trash.

Lee was also instrumental in lobbying the Minnesota legislature to reform its eminent domain laws in 2006 and deregulate intrastate household goods movers in 2008. Lee became IJ's legislative counsel in 2011 and has been instrumental in lobbying for greater economic liberty and reforms to forfeiture laws in states across the country.

Lee received his law degree from William Mitchell College of Law in Saint Paul where he was the president of the local Federalist Society chapter. Before that, Lee worked for more than 20 years in corporate finance at General Motors and other corporations. His last position was as Vice President and Treasurer of Jostens, the yearbook and ring company headquartered in Bloomington, Minn.

In addition to his law degree, Lee holds an MBA in finance from the University of Chicago and a bachelor's degree from Georgetown University. Lee was also a Policy Fellow at the Humphrey Institute, University of Minnesota.

Lee and his wife Bonnie have four children and live in Edina, Minn.



**Senator Robert F. (Bob) Onder, Jr., MO** was sworn into office on Jan. 7, 2015, to serve the residents of Missouri's Second Senatorial District in St. Charles County. He previously served in the Missouri House of Representatives from 2007 to 2008.

Senator Onder has been a physician and small business owner for over 20 years. He is board certified in Allergy and Immunology and Internal Medicine. Senator Onder is a member of the Missouri State Medical Association and a Life Member of the National Rifle Association. He is also a former board member of Missouri Right to Life. Senator Onder is a graduate of Washington University School of Medicine and St. Louis

University School of Law.

In 2015, his first year in office, Senator Onder was elected by his peers to serve as the Assistant Majority Floor Leader in the Missouri Senate. That same year he received the Freshman Legislator of the Year award from the Missouri Chamber of Commerce; the Legislator of the Year award from the Missouri Century Foundation, an organization that advocates for free market principles; a legislative award from the Missouri Academy of Family Physicians for his help in passing legislation relating to Direct Primary Care options in Missouri; a legislative excellence award from the Missouri Dental Association; and, was named a Champion of Freedom by the Missouri Alliance for Freedom, a group that advocates for limited government and the growth of individual liberty. Senator Onder lives in Lake Saint Louis with his wife, Allison, and their six children.





**Representative Kenneth L. Weyler, NH** is a Republican member of the New Hampshire House of Representatives, representing Rockingham 13. He was first elected in a January 2010 special election to replace Don Van Patten. Weyler served in the House previously, representing Rockingham 8 from 1990 to 2008. He has been an assistant minority leader in the House; and a chair of the Kingston Planning Board. Weyler earned his B.S. from the Massachusetts Institute of Technology. His professional experience includes working as first officer, captain, and pilot for American Airlines. He was an officer pilot in the United States Air Force, and an officer in the United States Air Force Reserve.



**Rep. Jim DeCesare, KY** has been a member of the Kentucky House of Representatives since 2005 serving the 21st district in Warren County and is the first Republican to hold this seat.

DeCesare is considered one of the most fiscal and social conservative members of the Kentucky General Assembly. He is a member of the Education, Transportation and Economic Development Committees. He is also a member of the Budget Review Sub-Committee on Post-Secondary Education. He is a founding member of the Congressional Sportsman's Caucus, Bourbon Caucus and Green School Caucus, which he co-chairs. He is the national vice-chair of the United States Green Building Council's 50 for 50 Green Schools Advisory Council and chairman of the American's for Tax

Reform Caucus. DeCesare attends State Street United Methodist Church and resides in Bowling Green, Ky., with his wife Amy and their two children, Brooke and Justin



**Rep. Seth Grove, PA** has tirelessly served Pennsylvania's 196th District since 2008, and during his three terms in office, he has consistently advocated for streamlined, more efficient government and conservative principles.

Seth's path to public service began in high school when he enlisted in the U.S. Navy and was selected for its nuclear engineering program and submarine school.

Along with advancing fiscally conservative policies, Seth's main priorities include encouraging private-sector job creation through tax cuts and free-market principles, promoting legislation to support small business growth, stamping out welfare fraud, reducing government red tape and increasing efficiencies, protecting law-abiding citizens, and defending our right to keep and bear arms.

During his three terms in office, Grove has shepherded 16 bills into law and 10 resolutions adopted by the House of Representatives. During his service he has served on numerous committees including: Aging and Older Adult Services, Appropriations, Consumer Affairs, Finance, Health, Human Services, Insurance, Intergovernmental Affairs, Labor & Industry, Rules, State



Government (Secretary), Transportation (subcommittee chair on Public Transportation) and Education (subcommittee chair on Technical Education and Career Readiness).



**Rep. Ron Hood, OH** is a Republican member of the Ohio House of Representatives, representing District 78. He was elected to the chamber in 2012. Hood represented House District 91 from 1995 to 2000 and 2005 to 2006. Hood earned his B.S. in business administration with focuses on marketing and economics from Ohio State University in 1991. His professional experience includes working as a marketing consultant at American Way Investment Corporation. Hood and his wife, Michal, have five children. They currently reside in Ashville, Ohio.



**Rep. Karilyn Brown, AR** is serving her second term in the Arkansas House. She represents District 41 which includes portions of Pulaski County.

For the 91st General Assembly, Rep. Brown serves on House Public Transportation Committee, the House Agriculture, Forestry, and Economic Development Committee, and the Joint Committee on Advanced Communications and Information Technology.

Rep. Brown previously served as a Justice of the Peace in Pulaski County. She graduated Magna Cum Laude from the University of Arkansas Little Rock with a degree in Professional Technical Writing.

She enjoys reading, gardening and travel. She is married to Lawrence Brown and has one son, William C. Peterson.



**Rep. Polly Lawrence, CO-** The people of Douglas and Teller counties elected

Polly as their State Representative to the Colorado House of Representatives

in 2012, 2014, and 2016. She has served as both House Republican Whip and Assistant Minority Leader. Supporting law enforcement, public safety, and government accountability/transparency are foundational to her political philosophy and legislative successes.

Prior to serving in the Colorado legislature, Polly co-directed, co-managed, and/or otherwise handled as necessary every facet of her family's award winning civil construction and infrastructure development company. Lawrence Construction is a 93-year-old company that annually employs 150 to 350 people with gross annual revenues of between \$40 million and \$75 million. Polly's management experience at Lawrence Construction spans personnel and



human resources, union negotiations, financial, banking and investments, contract management, project management, estimating, proposal writing, and business operations.



**Rep. Eric Redman, ID-Rep.** Redman is the Founder of Redman Resort (Marina), All Star Realty, E M Redman & Company (Real Estate), and Redman & Company Insurance and has retired after 47 Years of Ownership of Small Businesses. He is the Past President of the North Idaho Chapter of the National Association of Health Underwriters. He also sits on the Board of Directors and is the Treasurer for Highway Evangelism, Reach America, and Heritage Christian Supply. Redman is Vietnam War Veteran and NRA Member, as well as a Northwest Property Owners Alliance Member. He has been married for 34 years, with 5 Children and 14 grandchildren.

In the Idaho State Legislator House, he has served two terms, and has served as Vice Chair of the House Local Government Committee, a Member of the House Commerce and Human Resources Committee, and a Member of the House Health and Welfare Committee.



**Stephen Slivinski** is a senior economist for the Goldwater Institute. He is an expert in tax and budget policy at the state and federal level. He has previously worked for the Cato Institute, the Tax Foundation and the James Madison Institute. He has written extensively on the United States Congress's spending practices, and published a book on Republican budget policy in 2006. His writing also has appeared in the Wall Street Journal, New York Post, Businessweek, Arizona Republic, and many other print and on-line publications. He has appeared on CNN, Bloomberg, Fox News Channel and MSNBC. He holds a master's degree in economics from George Mason University.



**James Broughel** is a Research Fellow for the State and Local Policy Project at the Mercatus Center at George Mason University and an adjunct professor of law at the Antonin Scalia Law School. He specializes in the economic analysis of regulations, state and federal regulatory procedures, and economic growth.

Broughel has authored numerous policy briefs and reports on regulatory issues. His work has appeared in outlets such as *U.S. News & World Report*, *Real Clear Policy*, *The Hill*, *Yahoo Finance*, the *Louisville Courier-Journal*, the *Washington Times*, and the *Washington Examiner*. He has published in scholarly journals, including the *Harvard Journal of Law & Public Policy: Federalist Edition* and the *European Journal of Risk*

*Regulation*. Broughel received his PhD in economics from George Mason University in 2017 and his BA and MA in economics from Hunter College of the City University of New York, from which he graduated summa cum laude.



*ALEC*

American  
Legislative  
Exchange  
Council

LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM





# Partnering to save lives

The UPS Foundation has formed a global partnership with Gavi, the Vaccine Alliance, and Zipline, a robotics company, to conduct a 12-month pilot project in Rwanda to deliver life-saving blood, vaccines and other critical medical supplies via a drone delivery network, with potential for global expansion.



## What UPS provides



### Logistics

More than 100 years of logistics expertise through global distribution networks, helps ensure the success of the initiative



### Healthcare expertise

Deep healthcare expertise in the areas of storing, transporting and distributing medicines, medical devices, products and supplies



### Funding

The UPS Foundation is providing more than \$1 million in cash, in-kind and technical support to launch this initiative



### Expansion

Through innovation, collaboration and a combination of speed and accuracy, UPS continues to deliver aid across borders

## What our partnership provides



Global Health Expertise



Logistics | Expertise | Funding | Innovation



Drone technology



## Why Drones?

**Ministry of Health in Rwanda** is dedicated to improving health outcomes for people in rural communities

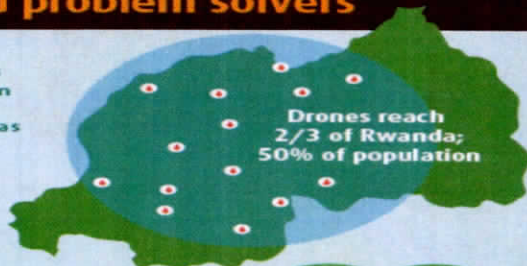
**Lack of available blood supplies** to combat postpartum hemorrhaging contribute to high numbers of death in childbirth

**Faster access** to life saving vaccines for rural communities

## ups united problem solvers™

"This exciting new partnership is one that shows UPS's innovation at its best. Its application for a good cause is something that has enormous potential for other parts of UPS's global network."

Jean-Francois Condamine  
UPS President, Indian subcontinent, Middle East and Africa



Drones reach 2/3 of Rwanda; 50% of population



14  
health facilities



50+  
deliveries per day



~6M  
people reached

UPS is committed to partnerships that drive positive global change

"Public-private partnerships like this one, are extremely important in solving global challenges. The UPS Foundation remains committed to exploring ways to enhance



UPS is testing drones for residential package delivery. With autonomous assistance, UPS can make deliveries more efficient, reducing miles and vehicle emissions.

#### DRONE USED IN TEST:

The Workhorse HorseFly™ UAV Delivery system drone is an octocopter delivery drone that is battery-powered and fully integrated with Workhorse's line of electric/hybrid package cars. It has a 30-minute flight time and can carry a package weighing up to 10 pounds.



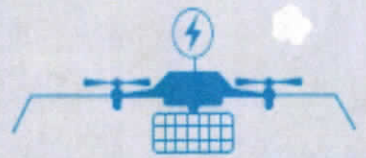
### HOW IT WORKS:



Drone docks on the roof of the package car, where a cage suspended beneath the drone extends through a hatch into the truck.



Driver loads a package into the cage and presses a button on a touch screen to send the drone autonomously on a preset route to an address.



After making the delivery, drone returns to package car and recharges while docked.



1

UPS driver loads the package and launches the drone.

2

Drone launches from roof of package car, gains altitude and proceeds to delivery location.

3

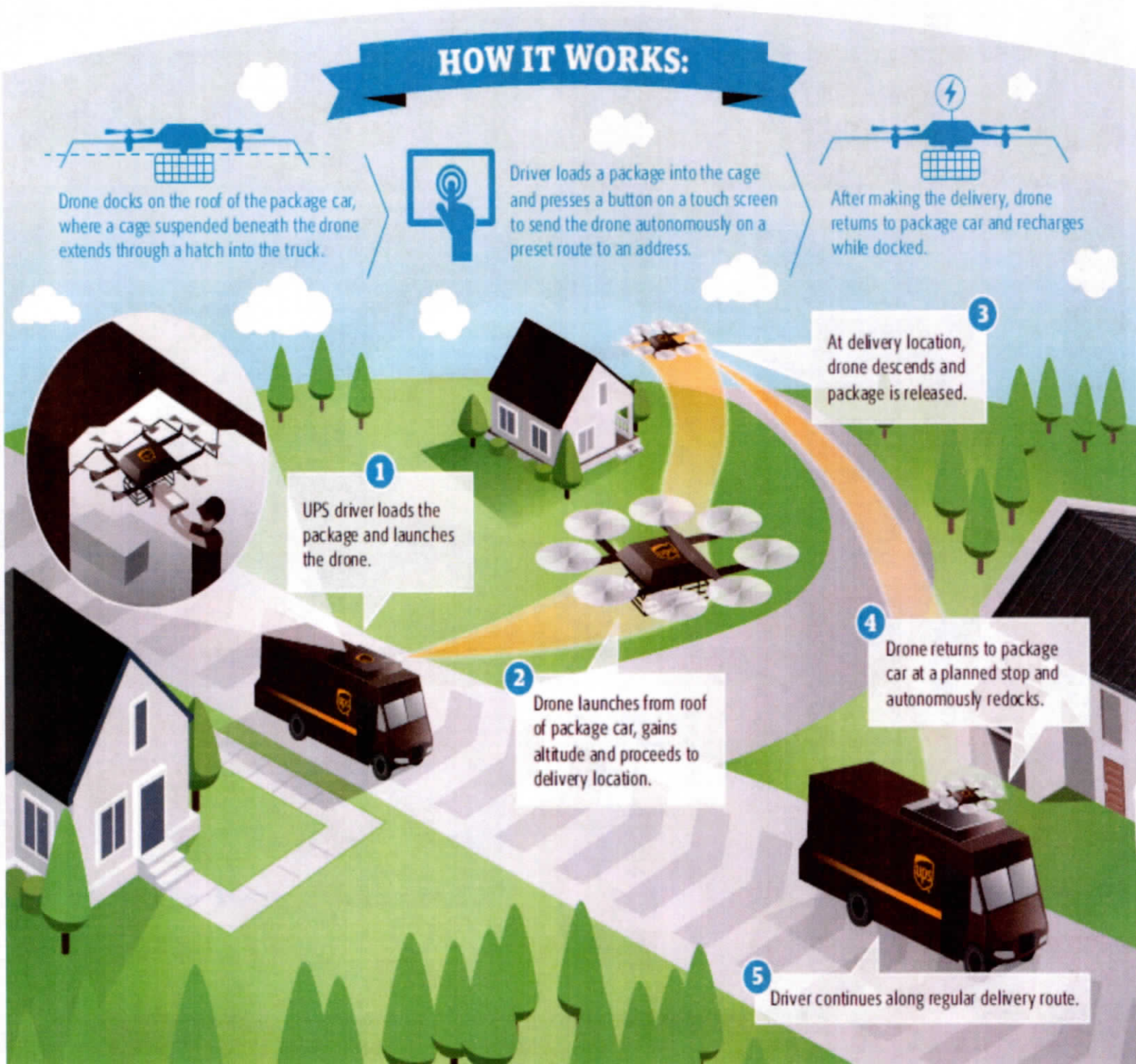
At delivery location, drone descends and package is released.

4

Drone returns to package car at a planned stop and autonomously redocks.

5

Driver continues along regular delivery route.





## 44th Annual American Legislative Exchange Council Meeting in Denver

### Draft Resolution Regarding Residential Property-Assessed Clean Energy (PACE) Programs

Whereas residential property-assessed clean energy (PACE) is a mechanism for private property owners to finance renewable energy and energy efficiency projects, and other building improvements,

Whereas many residential PACE programs are established by municipalities by issuing bonds to fund projects; and,

Whereas PACE obligations are tied to the physical property through property tax assessment mechanisms for as long as 25 years, not the property's owner; and,

Whereas residential PACE assessments are sometimes treated like a tax lien and municipalities can be first in line to be repaid-ahead of mortgage agencies, in case of default; and,

Whereas traditionally Fannie Mae and Freddie Mac have objected to the residential prime lien status of PACE and have refused to accept mortgages on properties with PACE liens; and,

Whereas in 2014 the Federal Housing Finance Agency (FHFA) stated that "super-priority liens" created by programs like PACE "increases the risk of losses to taxpayers"; and,

Whereas it is important that residential consumers have choices in financing and efficiency and renewable energy projects; and,

Whereas, the market should provide financing for home improvement projects, not government; and,

Whereas, PACE has been associated with issues of consumer protection and predatory lending in which contractors have signed up residents for PACE who may not fully understand the conditions and the impact on their property tax bill; and,

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Draft Resolution Submitted by Paul Blair (Americans for Tax Reform) & Rep. Woody Burton (R-Ind.)

For more information please contact Paul Blair at [pblair@atr.org](mailto:pblair@atr.org) or 202-785-0266

Therefore be it resolved that the American Legislative Exchange Council (ALEC) is opposed to government involvement in financing renewable and efficiency projects for private homeowners; and,

Therefore be it further resolved that ALEC believes the market should provide financing for these residential projects not government and the private lending industry in the U.S. is capable of financing such projects.

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July 19, 2017

On behalf of the undersigned organizations, we are writing to you to support Property Assessed Clean Energy (PACE) programs as an important tool for consumers to finance utility bill and insurance premium reducing projects in privately-owned homes and other properties. Depending on each state's enabling legislation, PACE may currently finance energy efficiency, alternative energy, water conservation, seismic retrofit and hurricane resilience projects. Thirty-two states have enacted PACE legislation since 2008 – from Florida and Texas to California and Missouri. PACE offers a 100% voluntary financing option to property owners. These successful private programs put absolutely ZERO tax dollars at risk. The program creates thousands of local construction and domestic manufacturing jobs.

A resolution has been introduced for your consideration at the American Legislative Exchange Council. This resolution contains several inaccuracies and mis-characterizations of PACE. As providers, users, beneficiaries, and organizations representing the jobs created, we are asking you to reject this resolution.

**No taxpayer dollars are at risk:**

In the privately administered PACE programs, no taxpayer funds are utilized and no taxpayer/local government liability is incurred. The program is voluntary for all property owners, and government's involvement is limited as a facilitator of the financing service. It is an alternative financing choice for property owners and does not diminish or disadvantage private institutional lending.

**Consumer protections are in place:**

The PACE industry has worked hard to add important consumer protections to its products. These include:

- For property-owners choosing PACE, "Know-Before-You-Owe (KBYO)" style protections have been enacted (KBYO is the financing disclosure summary required in the mortgage industry).
- PACE providers require local permits to be pulled prior to contractor payment.
- Contractors do not get paid until the property owner confirms that the work has been completed.
- Contractors must sign on to a set of consumer protection standards with a PACE provider before being able to offer PACE financing.
- PACE providers assist homeowners with contractor disputes.

When a homeowner pays with cash, a credit card, or with a home equity loan, the homeowner is on his own and few if any of the above protections are provided.

**Property sales are taking place with PACE assessments:**

Hundreds of homes and commercial properties have been sold with PACE assessments in place, and there are options to assist with the sale or refinance of a home that has a PACE assessment attached to it including:

- Allowing the PACE lien to stay in place, as allowed by state law (and which is common practice for all similar special assessments),
- Full payoff of the PACE lien without penalty,
- Partial payoff of the PACE lien to reduce its principal and thus its annual payments,
- Subordination of PACE assessment which allows it to be transferred to the next homeowner.

In the event of a foreclosure, only any delinquent and current payments due are paid before the first deed mortgage holder. For example, a \$20,000 PACE assessment may have a \$2,700 annual payment, which is the delinquent amount that would be due in a foreclosure. It is important to note that such an amount is

certainly far less than the value that the PACE project added to the property. There is a misconception that all interest that would have accrued over the full repayment term would be due in case of a default. This is simply not true. Only the unpaid interest in arrears would be payable at that time to bring a defaulted homeowner back into compliance. **To date, no PACE provider has ever foreclosed on a home due to a delinquent PACE assessment.**

### **PACE is supported by Republicans**

**In all, thirty-two states have enacted statewide PACE.** Twenty of those states, were controlled in part, or entirely by the GOP when the PACE legislation became law. In other words, the majority of PACE States were partly or entirely controlled by the GOP at the time of bill enactment.

Republican Governors and GOP State Legislatures continue to promote and pass PACE legislation across the country. These deep red PACE states include Alabama, Florida, Georgia, Nebraska, Texas, and Utah. It's worth noting, US Energy Secretary Rick Perry signed PACE into law when he was governor of Texas. Additionally, many pro-PACE states have either the executive OR legislative branch controlled by the GOP. These PACE states include places like Arizona, Missouri, Oklahoma, Tennessee, and others. PACE empowers the individual property owner, promotes federalism, uses no tax payer dollars, and creates jobs. That's why it's so popular with Republican legislators and governors.

### **PACE creates jobs:**

- Nearly 60,000 jobs over 32 states
- \$4.2 billion in private investments

### **Local Control:**

PACE programs are inherently designed with local control in mind. In order to operate in a jurisdiction, the City Council or County Board of Supervisors must approve each PACE provider. Through this approval process, the local government may impose program constraints to meet the concerns of the community.

For the reasons above, the undersigned ask you to reject this resolution, gain further understanding of PACE, and ultimately support the passage of this financing option in your State.

Sincerely,



CONSERVATIVES FOR  
**CleanEnergy**



**CASE**  
THE CONSERVATIVE ALLIANCE FOR SOLAR ENERGY





## New Model Policies for Consideration

### **Model Policy: AVs: Model State Legislation**

#### Section 1. Definitions

**Automated Driving System.** The hardware and software that are collectively capable of performing the entire *dynamic driving task (DDT)* on a sustained basis, regardless of whether it is limited to a specific *operational design domain (ODD)*. This term is used specifically to describe a level 3, 4, or 5 automated driving system (ADS) as specified in SAE International's Standard J3016.

**Automated Vehicle.** A vehicle equipped with an automated driving system.

**Dynamic Driving Task.** All of the real-time operational and tactical functions required to operate a vehicle in on-road traffic, excluding the strategic functions such as trip scheduling and selection of destinations and waypoints.

**Operational Design Domain.** The specific conditions under which a given automated driving system is designed to function, including, but not limited to, roadway types, environmental conditions, and vehicle speeds.

#### Section 2. Legislative Declaration

This body hereby finds and declares that:

- (a) Automated driving systems are an innovative technology that can save lives and expand human mobility.
- (b) In 2016, more than 40,000 people were killed in collisions on American roads and more than two million were injured. Because human error contributes to 90 percent of traffic accidents, automated driving systems could drastically reduce traffic fatalities and injuries.
- (c) Automated vehicles could expand mobility and increase economic participation for 57 million Americans with disabilities and a growing elderly population.

#### Section 3. Uniform and Exclusive Governance

- (d) Unless otherwise provided by this Act, automated vehicles and automated driving systems are governed exclusively by this Act.
- (e) No state agency, entity, or political subdivision of this state may impose requirements or adopt regulations governing the operation of automated vehicles or automated driving systems in this state that are in addition to, or otherwise inconsistent with, this Act.

#### Section 4. Operation of Automated Vehicles

- (a) Unless otherwise provided by this Act, any provision that by its nature regulates a human driver does not apply to an automated vehicle, except for laws regulating the physical driving of the vehicle.
- (b) A person or entity may operate an automated vehicle on public roads of this state without a human driver if the automated vehicle is capable of complying with all applicable state and federal laws.
- (c) A person or entity may operate an automated vehicle:
  - a. To test the vehicle;
  - b. To provide a transportation service to passengers; or
  - c. For any other use.

#### Section 5. Reporting of Accidents

- (a) A person or entity operating an automated vehicle shall promptly report any accident to local law enforcement in accordance with state laws that apply to other vehicle operators.

#### Section 6. Liability

- (a) The manufacturer of an automated vehicle or an automated driving system shall not be liable for damage that arises from any modification made by a person or entity other than the manufacturer and without the consent of the manufacturer.

#### Section 7. State Reciprocity

Subject to the oversight of this body, the [Relevant Agency] will create and execute reciprocal agreements, arrangements, and declarations with other states to promote the fullest possible use of automated vehicles in this state and across state lines.



***Model Policy: Resolution Regarding Property-Assessed Clean Energy Programs***

**Summary**

This resolution opposes state property-assessed clean energy programs.

**Resolution Regarding Property-Assessed Clean Energy Programs**

Whereas property-assessed clean energy (PACE) is a mechanism for private property owners to finance renewable energy and energy efficiency projects; and,

Whereas most PACE programs are established by municipalities by issuing bonds to fund projects; and,

Whereas the financing is provided by municipalities to the property owner and paid back by the owner through an additional “assessment” to the property (i.e. an extra property tax) levied by the municipality over a set time period, potentially as long as 25 years; and,

Whereas PACE obligations are tied to the physical property, not the property’s owner; and,

Whereas PACE assessments are treated like a tax lien and municipalities are first in line to be repaid-ahead of mortgage agencies, in case of default; and,

Whereas traditionally Fannie Mae and Freddie Mac have objected to the residential prime lien status of PACE and have refused to accept mortgages on properties with PACE liens; and,

Whereas in 2014 the Federal Housing Finance Agency (FHFA) stated that “super-priority liens” created by programs like PACE “increases the risk of losses to taxpayers”; and,

Whereas it is important that consumers have choices in financing and efficiency and renewable energy projects; and,

Whereas, the private lending industry in the U.S. is capable of financing such projects; and,

Whereas, the market should provide financing for these projects, not government; and,

Whereas, PACE has been associated with issues of consumer protection and predatory lending in which contractors have signed up residents for PACE who may not fully understand the conditions and the impact on their property tax bill; and,

Therefore be it resolved that the American Legislative Exchange Council (ALEC) is opposed to government involvement in financing renewable and efficiency projects for private property owners; and,

Therefore be it further resolved that ALEC believes the market should provide financing for these projects not government and the private lending industry in the U.S. is capable of financing such projects.



## The Collateral Consequences Reduction Act Model Legislation

A bill for an act relating to occupational regulations; establishing a process to review criminal record to reduce offenders' disqualifications from state recognition; and proposing coding for new law as \_\_\_\_\_, chapter \_\_\_\_\_.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF \_\_\_\_\_:

### 100.01 Definitions.

Subdivision 1. **Scope.** For the purposes of this chapter, the words defined in this section have the meaning given.

Subd. 2. **Certification.** "Certification" is a voluntary program in which the state government grants nontransferable recognition to an individual who meets personal qualifications established by the legislature. Upon approval, the individual may use "certified" as a designated title. A non-certified individual may also perform the lawful occupation for compensation but may not use the title "certified."

Subd. 3. **Lawful occupation.** "Lawful occupation" means a course of conduct, pursuit or profession that includes the sale of goods or services that are not themselves illegal to sell irrespective of whether the individual selling them is subject to an occupational regulation.

Subd. 4. **Occupational license.** "Occupational license" is a nontransferable authorization in law for an individual to perform exclusively a lawful occupation for compensation based on meeting personal qualifications established by the legislature. In an occupation for which a license is required, it is illegal for an individual who does not possess a valid occupational license to perform the occupation for compensation.

Subd. 5. **Personal qualifications.** "Personal qualifications" are criteria related to an individual's personal background and characteristics including completion of an approved educational program, satisfactory performance on an examination, work experience, other evidence of attainment of requisite skills or knowledge, moral standing, criminal record and completion of continuing education.

Subd. 6. **Specialty occupational license for medical reimbursement.** "Specialty occupational license for medical reimbursement" means a non-transferable authorization in law for an individual to qualify for payment or reimbursement from a government agency for the non-exclusive provision of medical services based on meeting personal qualifications established by the legislature. A private company may recognize this credential. Notwithstanding this specialty license, it is legal for a person regulated under another occupational regulation to provide similar services as defined in that statute for compensation

and reimbursement. It is also legal for an individual who does not possess this specialty license to provide the identified medical services for compensation but the non-licensed individual shall not qualify for payment or reimbursement from a government agency.

#### **100.02 Petition for Review of Criminal Record**

Subdivision 1. The right of an individual to pursue an occupation is a fundamental right.

Subd. 2. The fundamental right of an individual to pursue an occupation includes (a) the right of an individual with a criminal record to petition the state to obtain a certification, occupational license, specialty occupational license for medical reimbursement or other state recognition of the individual's personal qualifications (hereafter "state recognition") and (b) the state not using a criminal record as an automatic permanent bar to an individual's receiving state recognition.

Subd. 3. An individual with a criminal record may petition a licensing board, agency, department or other state or local issuer of occupational licenses (hereafter "board") at any time, including before obtaining any required education or training, for a determination of whether the individual's criminal record will disqualify the individual from obtaining state recognition.

Subd. 4. The individual shall include in the petition the individual's criminal record. The individual may include additional information about the individual's current circumstances, including the time since the offense, evidence of rehabilitation, testimonials and employment aspirations.

Subd. 5. Notwithstanding any other statute or rule, the board is authorized to determine whether the individual's criminal record disqualifies the individual from obtaining state recognition.

Subd. 6. The board may find the individual's criminal record disqualifies the individual from obtaining state recognition only if:

- (a) the individual's criminal record includes a conviction for a felony or violent misdemeanor;
- (b) the type of felony or violent misdemeanor for which the individual was convicted is expressly codified as a disqualifying offense in the relevant occupational license's statute; and
- (c) the board concludes the state has an important interest in protecting public safety that is superior to the individual's right. The board may make this conclusion only if it determines, by clear and convincing evidence at the time of the petition, that:
  - (1) the specific offense for which the individual was convicted is substantially related to the state's interest;
  - (2) the individual, based on the nature of the specific offense for which the individual was convicted and the individual's current circumstances, is more likely to reoffend by virtue of



having the license than if the individual did not have the license; and

- (3) a re-offense will cause greater harm than it would if the individual did not have the license.

Subd. 7. The board shall issue its determination within 90 days after the board receives the petition. The determination shall be in writing and include a finding of facts and a conclusion of law.

Subd. 8. If the board determines the state's interest is superior to the individual's right, the board may advise the individual of actions the individual may take to remedy the disqualification. The individual may submit a revised petition reflecting the completion of the remedies at any time after 90 days following the board's judgment.

Subd. 9. The individual may appeal the board's determination in subdivision 7 as provided for in the state's administrative procedure act.

Subd. 10. The individual may submit a new petition to the board at any time after two years following a final judgment in the initial petition.

Subd. 11. The board may rescind its determination at any time if the individual is convicted of an additional offense that the Board determines meets the elements in subdivision 6.

Subd. 12. The board may charge a fee to recoup its costs not to exceed \$100 for each petition.

Subd. 13. The Department of Public Safety will establish an annual reporting requirement of the (a) number of applicants petitioning each board, (b) the numbers of each board's approvals and denials, (c) the type of offenses for which each board approved or denied the petitions and (d) other data the Department determines. The Department will compile and publish annually a report on a searchable public website.

**100.03 Effective date.** This chapter is effective on \_\_\_\_\_.

## New Model Policies for Consideration

### **Model Policy: AVs: Model State Legislation**

#### Section 1. Definitions

**Automated Driving System.** The hardware and software that are collectively capable of performing the entire *dynamic driving task (DDT)* on a sustained basis, regardless of whether it is limited to a specific *operational design domain (ODD)*. This term is used specifically to describe a level 3, 4, or 5 automated driving system (ADS) as specified in SAE International's Standard J3016.

**Automated Vehicle.** A vehicle equipped with an automated driving system.

**Dynamic Driving Task.** All of the real-time operational and tactical functions required to operate a vehicle in on-road traffic, excluding the strategic functions such as trip scheduling and selection of destinations and waypoints.

**Operational Design Domain.** The specific conditions under which a given automated driving system is designed to function, including, but not limited to, roadway types, environmental conditions, and vehicle speeds.

#### Section 2. Legislative Declaration

This body hereby finds and declares that:

- (a) Automated driving systems are an innovative technology that can save lives and expand human mobility.
- (b) In 2016, more than 40,000 people were killed in collisions on American roads and more than two million were injured. Because human error contributes to 90 percent of traffic accidents, automated driving systems could drastically reduce traffic fatalities and injuries.
- (c) Automated vehicles could expand mobility and increase economic participation for 57 million Americans with disabilities and a growing elderly population.

#### Section 3. Uniform and Exclusive Governance

- (d) Unless otherwise provided by this Act, automated vehicles and automated driving systems are governed exclusively by this Act.
- (e) No state agency, entity, or political subdivision of this state may impose requirements or adopt regulations governing the operation of automated vehicles or automated driving systems in this state that are in addition to, or otherwise inconsistent with, this Act.

#### Section 4. Operation of Automated Vehicles



- (a) Unless otherwise provided by this Act, any provision that by its nature regulates a human driver does not apply to an automated vehicle, except for laws regulating the physical driving of the vehicle.
- (b) A person or entity may operate an automated vehicle on public roads of this state without a human driver if the automated vehicle is capable of complying with all applicable state and federal laws.
- (c) A person or entity may operate an automated vehicle:
  - a. To test the vehicle;
  - b. To provide a transportation service to passengers; or
  - c. For any other use.

#### Section 5. Reporting of Accidents

- (a) A person or entity operating an automated vehicle shall promptly report any accident to local law enforcement in accordance with state laws that apply to other vehicle operators.

#### Section 6. Liability

- (a) The manufacturer of an automated vehicle or an automated driving system shall not be liable for damage that arises from any modification made by a person or entity other than the manufacturer and without the consent of the manufacturer.

#### Section 7. State Reciprocity

Subject to the oversight of this body, the [Relevant Agency] will create and execute reciprocal agreements, arrangements, and declarations with other states to promote the fullest possible use of automated vehicles in this state and across state lines.

***Model Policy: Resolution Regarding Property-Assessed Clean Energy Programs***

**Summary**

This resolution opposes state property-assessed clean energy programs.

**Resolution Regarding Property-Assessed Clean Energy Programs**

Whereas property-assessed clean energy (PACE) is a mechanism for private property owners to finance renewable energy and energy efficiency projects; and,

Whereas most PACE programs are established by municipalities by issuing bonds to fund projects; and,

Whereas the financing is provided by municipalities to the property owner and paid back by the owner through an additional “assessment” to the property (i.e. an extra property tax) levied by the municipality over a set time period, potentially as long as 25 years; and,

Whereas PACE obligations are tied to the physical property, not the property’s owner; and,

Whereas PACE assessments are treated like a tax lien and municipalities are first in line to be repaid-ahead of mortgage agencies, in case of default; and,

Whereas traditionally Fannie Mae and Freddie Mac have objected to the residential prime lien status of PACE and have refused to accept mortgages on properties with PACE liens; and,

Whereas in 2014 the Federal Housing Finance Agency (FHFA) stated that “super-priority liens” created by programs like PACE “increases the risk of losses to taxpayers”; and,

Whereas it is important that consumers have choices in financing and efficiency and renewable energy projects; and,

Whereas, the private lending industry in the U.S. is capable of financing such projects; and,

Whereas, the market should provide financing for these projects, not government; and,

Whereas, PACE has been associated with issues of consumer protection and predatory lending in which contractors have signed up residents for PACE who may not fully understand the conditions and the impact on their property tax bill; and,

Therefore be it resolved that the American Legislative Exchange Council (ALEC) is opposed to government involvement in financing renewable and efficiency projects for private property owners; and,



Therefore be it further resolved that ALEC believes the market should provide financing for these projects not government and the private lending industry in the U.S. is capable of financing such projects.

## The Collateral Consequences Reduction Act Model Legislation

A bill for an act relating to occupational regulations; establishing a process to review criminal record to reduce offenders' disqualifications from state recognition; and proposing coding for new law as \_\_\_\_\_, chapter \_\_\_\_.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF \_\_\_\_\_:

### 100.01 Definitions.

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AMERICAN COMMITMENT



FreedomWorks



## Free Market Groups to State Legislators: Protect Homeowners by Opposing PACE Loans

May 5, 2017

Dear state legislator:

On behalf of our organizations and the thousands of citizens we represent in your state, we write to you in opposition to the use of property assessed clean energy (PACE) loans, a complicated financing scheme that hurts homeowners across the country.

Under PACE loans, municipalities create energy assessment districts and issue bonds that allow homeowners and businesses the ability to finance alternative energy and energy efficiency projects. The loans can be issued by third parties, but are secured by a property tax lien and collected through municipal tax bills. Since they use the municipal tax system, PACE loans deserve more scrutiny than other types of private sector financial products.

Borrowers are often not aware of the consequences and risks of PACE loans. Borrowers can face tax foreclosure due to non-payment since a lien is placed on the property. Unlike a mortgage, PACE loans do not consider the borrower's ability to pay. The interest and fees on these loans typically range between 8% to 12% and have a term of anywhere between 5 and 25 years. The high rates and long terms can impact the value of a property when a homeowner tries to sell since PACE loans are attached to the property, not the borrower.

Estimating the value of energy efficiency upgrades is an uncertain and complex task that homeowners may not fully understand. It involves a considerable amount of speculation over what future energy prices will be. If energy prices fall, alternative energy and efficiency upgrades become less valuable. Homeowners still face higher monthly payments regardless of whether the promised energy savings happen.

PACE loans also face complexities involving federal housing regulation and programs. Homeowners may be unaware that PACE loans do not face the same regulatory disclosure requirements (such as Truth in Lending) as do mortgages and other financial products. Additionally, Fannie Mae and Freddie Mac are prohibited from purchasing properties with first-lien PACE loans attached to them, as is often the case. These complexities can make it difficult for a PACE loan borrower to sell their property.